

Message Text

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E.O. 11652: N/A
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SUBJECT: US PUBLICATION CLAIMS USG TO STOP VIGGEN SALE TO INDIA

1. THE FOLLOWING ARTICLE ENTITLED "CARTER STOPS LARGE VIGGEN SALE" WAS PUBLISHED ON MAY 12 BY THE MALMO DAILY SYDSVENSKA DAGBLADET: BEGIN TEXT: PRESIDENT JIMMY CARTER PROPOSES TO STOP SALE OF NEARLY 100 VIGGENS TO INDIA* THIS IS DISCLOSED BY THE NORMALLY WELL-INFORMED PUBLICATION ARMED FORCES JOURNAL IN ITS LATEST ISSUE. THE AFJ POINTS OUT THAT THE VIGGEN IS FITTED WITH A MODIFIED VERSION OF THE PRATT & WHITNEY JT8D ENGINE AND THAT SWEDEN MUST THUS SECURE US APPROVAL BEFORE A SALE CAN BE MADE TO A THIRD COUNTRY. THE CARTER ADMINISTRATION LAST YEAR STOPPED THE SALE OF THE A7 TO PAKISTAN AND IS THUS PRESUMABLY PREPARED TO PREVENT THE EXPORT OF THE VIGGEN BY REFUSING AN EXPORT LICENSE FOR THE MODIFIED JT8D ENGINE BUILT BY VOLVO FLYGMOTOR, TROLLHATTAN. THE AFJ CLAIMS THAT THE US REFUSAL WILL BE A HARD BLOW TO SWEDEN WHICH HAS BUILT THE VIGGEN IN THE HOPE OF RECOVERING A LARGE PART OF THE DEVELOPMENT COSTS THROUGH EXPORTS. SAAB-SCANIA MISSED ITS CHANCE IN "THE WRDL'S BIGGEST-EVER ARMS DEAL"

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WHEN FOUR NATO COUNTRIES WERE SEEKING A NEW COMBAT AIRCRAFT. THE ORDER WAS PLACED INSTEAD WITH GENERAL DYNAMICS FOR THEIR F16, WHICH HOWEVER HAS SINCE PROVED VASTLY MORE EXPENSIVE THAN THE CUSTOMERS HAD RECKONED WITH. THEN AGAIN, RECENTLY, THE VIGGEN LOST IN A 6 BILLION SWEDISH CROWNS ORDER FROM AUSTRALIA. NOW INSTEAD, INDIA WILL BUY EITHER THE FRENCH MIRAGE OR A SOVIET-BUILT PLANE; PREDICTS THE ARMED FORCES

JOURNAL. IF PRESIDENT CARTER REALLY DOES STOP THE SALE OF THE VIGGEN TO INDIA THIS WILL MEAN THAT SAAB-SCANIA WILL LOSE A BILLION-CLASS DEAL. INSPECTOR OF WAR MATERIEL, MAJ. GENERAL BENGT ROSENIUS, INFORMS SYDSVENSKA DAGBLADET THAT THUS FAR NOTHING HAS BEEN HEARD FROM WASHINGTON ABOUT A BAN ON THE EXPORT OF THE VIGGEN. HE CONFIRMS, HOWEVER, THAT WITH A US EXPORT LICENSE THERE CAN BE NO QUESTION OF A DEAL WITH INDIA. THE HEAD OF SAAB-SCANIA'S AIRCRAFT DIVISION, TORE GULLSTRAND, WAS NOT AVAILABLE FOR COMMENT YESTERDAY, THURSDAY (MAY 11). ACCORDING TO ASSISTANT INFORMATION CHIEF, JOHN DAHLIN, THE NUMBER OF VIGGEN AIRCRAFT IN THE PLANNED INDIAN DEAL IS A SECRET. BUT HE WILL NOT DENY THE CLAIM THAT IT IS A QUESTION OF ALMOST 100 PLANES, EITHER SOLD DIRECTLY TO INDIA OR ELSE MANUFACTURED THERE ON LICENSE. IN FEBRUARY OF THIS YEAR, AN EXPERT DELEGATION FROM THE INDIAN AIR FORCE VISITED SAAB-SCANIA IN LINKOPING. THE INDIANS ASKED FOR, AND TOOK WITH THEM, A FORMAL TENDER FOR THE VIGGEN, THOUGH INDIA IS ALSO INTERESTED IN THE FRENCH MIRAGE AND THE BRITISH-FRENCH JAGUAR. IT IS IN THIS DELICATE SITUATION--WHILE SAAB HOPEFULLY AWAITS A POSITIVE RESPONSE FROM NEW DELHI--THAT PRESIDENT CARTER, ACCORDING TO THE AFJ, IS CONSIDERING TRIPPING UP SWEDEN'S EXPORT PLAN. END TEXT.

2. ON MAY 16, STOCKHOLM DAILY DAGENS NYHETER PUBLISHED A CONSIDERABLY BRIEFER SUMMARY OF THE ARMED FORCES JOURNAL UNCLASSIFIED

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PIECE.

3. EMBASSY UNAWARE OF ANY SWEDISH OFFICIAL REACTION TO SYDSVENSKA DAGBLADET ARTICLE.
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